



UPDATE ON HOLIDAY PAY– NHS WALES

On 25 June 2021, the Welsh Partnership forum agreed a framework to enable NHS employers in Wales to resolve issues relating to how annual leave pay should be calculated under section 13.9 of the NHS TCS Handbook. A summary of the framework is set out below. A similar agreement had been reached in the NHS in England and Scotland.

It is expected that RCN members working in the NHS in Wales who have regularly worked overtime over the last 2 years will receive (albeit small) corrective payments as a result of this agreement.

Background

Unison, GMB and Unite have supported legal cases which established that employers should be including overtime and additional hours payments in the calculations of contractual annual leave payments. NHS Employers has been working with the unions to identify a standardised approach to correcting historic miscalculations for individuals whose contractual annual leave payments have not included regularly worked overtime (OT) and additional standard time (AST).

Framework agreement

The framework agreement on corrective payments in summary:

NHS Staff eligible for corrective payments:

The framework agreement makes provision for individuals who have undertaken overtime or additional standard time between 1 October 2018 and 31 March 2021 and/or 1 April 2020 and 31 March 2021 to receive a corrective payment. This payment will be set at 13% of the value of payments received for Overtime or Additional Standard time during the period.

How payments will be made:

Corrective payments will be made automatically through payroll systems at employer level and will be paid by no later than 30 September 2021.

Moving forward:

Arrangements are being put in place to ensure that further miscalculations do not occur from 1 April 2021. At present there is not a consistent and standardised means by which employing organisations can add regularly worked Overtime and Additional Standard time payments to payments made during periods of contractual Annual Leave.

Over the medium to long term, NHS Employers will work with NHS Wales to ensure that payrolls will be adjusted to provide for the inclusion of regularly worked Overtime/AST payments in contractual annual leave calculations. It is hoped that this method will be available from April 2022.

In the interim, employing organisations will be instructed to apply temporary changes to local payroll to ensure that staff receive payments in lieu of accurate additions of regularly worked OT/AST payments to contractual annual leave allowances. These interim calculations will use mechanisms that do not reflect any regularity thresholds-meaning that that all Overtime and AST payments will be reflected in calculations for the interim period.

FAQs will be published in due course.

Next steps

Employers will be responsible for informing eligible NHS staff that they will receive corrective payments.

RCN members should first raise issues with their employers. Where it is not possible for members to resolve the issue, they should contact their local RCN steward who should seek to provide support and advice. Where it is not possible to resolve the issue, members should seek advice from RCND.